

EXECUTIVE OFFICE OF THE PRESIDENT  
BUREAU OF THE BUDGET  
WASHINGTON 25, D.C.

Executive Registry  
64-16446

FEB 29 1964

Honorable John A. McCone  
Director of Central Intelligence  
Central Intelligence Agency  
Washington, D. C. 20505

Dear Mr. McCone:

I have given careful consideration to the issues raised in your letter of February 18, 1964, and accompanying Apportionment Schedule No. 2.

64-114211 -

25X1

On file OMB release instructions apply.

(EXECUTIVE OFFICE OF THE PRESIDENT)

*Economy*

25X1 The action taken by the Bureau on Apportionment Schedule No. 1 reduced the amount requested to be apportioned for regular operation by [ ] as relating to the results of economy measures which you have directed in compliance with President Johnson's directives. After careful consideration of your letter, the current Agency financial plan and information previously supplied by your staff regarding new undertakings and internal reprogramming, I have decided to [ ] for regular operations an additional amount of [ ] This would retain in the reserve the difference of [ ] I am hopeful can be realized through the results of the economy actions which you have cited in your letters of January 11 and 13, 1964, to the President. In particular, I note that the Agency can realize a considerable saving in personnel costs represented by the difference between the estimated employment at end of fiscal year 1964 cited in General Carter's letter of October 14, 1963, which transmitted the Agency budget estimates for fiscal year 1965, and the present year-end employment ceiling for 1964 which we subsequently agreed upon. As indicated in General Carter's letter, the costs of the manpower estimates which had been revised upward would be met through internal reprogramming, and I am acting in the expectation that your reprogramming actions will now identify for savings those funds which otherwise would have been required for the greater numbers of personnel.

Sincerely,

(Signed) Kermit Gordon

Kermit Gordon  
Director

Enclosure

1964 JUN 11 10 13 AM '64